



THOMSON REUTERS

**Via Electronic Delivery**

January 22, 2016

Robert W. Errett  
Deputy Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC, 20549-1090

Re: SR-FINRA-2015-055: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Provide FINRA with Authority to Grant Exemptions from TRACE Reporting Requirements for Certain ATS Transactions

Dear Mr. Errett:

Thomson Reuters appreciates the opportunity to comment on SR-FINRA-2015-055 which implements exemptions as it relates to TRACE reporting requirements for certain ATSs (“the filing”). Thomson Reuters<sup>1</sup> through our Financial & Risk business unit provides buy-side, sell-side and corporate customers with information, analytics, workflow, transaction and technology solutions and services that enable effective price discovery and support efficiency, liquidity and compliance. In particular, our wealth management offerings<sup>2</sup> include a complete suite of products that enable retail and institutional brokers to manage the daily tasks of their front, middle and back office operations. We facilitate TRACE reporting for our clients and are directly impacted by this proposal.

We appreciate FINRA’s willingness to consider measures to simplify compliance with TRACE reporting as it relates to ATSs. In considering approaches to achieve this goal, we believe there are further opportunities to simplify compliance with TRACE reporting requirements in a manner consistent with FINRA’s policy objectives. To that end, we respectfully request that FINRA consider the following approach:

- Align with MSRB and require an ATS indicator in a manner similar to approved changes to MSRB G-14<sup>3</sup>
- Use monthly reporting of transaction information by impacted ATSs to achieve a greater understanding of ATS activity

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<sup>1</sup> Thomson Reuters is the world’s leading source of intelligent information for businesses and professionals. Combining industry expertise with innovative technology, it delivers critical information to leading decision makers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets powered by the world’s most trusted news organization. For more information about Thomson Reuters, please go to [www.thomsonreuters.com](http://www.thomsonreuters.com).

<sup>2</sup> For more information on Thomson Reuters Wealth Management offerings, see [here](#).

<sup>3</sup> See Release No. 34-75039 (May 22, 2015), File No. SR-MSRB-2015-02 (March 19, 2015).

In recent proposed rules<sup>4</sup>, FINRA has expressed a willingness to coordinate with the MSRB. We believe that consistency between FINRA and the MSRB with respect to reporting ATS transactions offers a meaningful opportunity for simplifying implementation. With the combination of an ATS indicator and monthly ATS transaction information reporting, we believe FINRA will be able to achieve the policy goals of increasing transparency into ATS transactions as well as understanding an ATS' trading activity for further review and analysis. The current requirement to report the ATS MPID is inconsistent with the MSRB requirement to report an ATS indicator. Since TRACE will only disseminate an ATS indicator, we are unclear as to why firms are being asked to report the ATS MPID. Rather than requiring an ATS MPID for trade reporting, we believe FINRA could more easily obtain transaction data directly from the ATSS on a periodic basis.

We are concerned that the operational impact on both member firms and third party vendors was not considered when filing SR-FINRA-2015-055 for immediate effectiveness under Rule 19b-4 (f)(6). As the specifications are currently written, firms will have to introduce new FIX tags and create business logic to determine when and how the fields should be populated. As FINRA indicated in the filing, only a small number of ATSS are likely to be impacted. However, the current changes to the specification will require programming for a significant number of broker dealers and vendors that support TRACE reporting. Additionally, coordination across the industry is required to ensure that FIX tags are used in a consistent manner.

If no changes are made to the filing, we believe additional time should be granted to allow ATSS, their subscribers and the vendors supporting them to make the necessary changes. Extending the implementation date to November 2016 would afford industry participants additional time to make these changes. As a point of reference, the MSRB granted over 12 months to implement changes to support the ATS indicator and no-remuneration flag on MSRB trade reporting. As written, the changes to the TRACE specification are more complex and challenging yet half the implementation time has been granted.

We are aware that other commenters have suggested alternate approaches to addressing this issue and believe that mirroring MSRB rules is also advocated by these commenters.<sup>5</sup> FINRA should consider the alternatives presented as it seeks to achieve its goal of simplifying compliance with TRACE reporting. We would welcome the opportunity to comment on a new filing based on industry feedback.

Regards,



Manisha Kimmel  
Chief Regulatory Officer, Wealth Management  
Thomson Reuters

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<sup>4</sup> See FINRA Regulatory Notice 15-36 "While FINRA and the MSRB's revised proposals currently differ, both entities favor a coordinated approach."

<sup>5</sup> See letter from Sean Davy, Managing Director, SIFMA (January 13, 2016); letter from John McCarthy, General Counsel, KCG Holdings, Inc., and William Vulpis, Managing Director, KCG (January 13, 2016) and letter from Michael Nicholas, Chief Executive Officer, BDA (January 13, 2016).